

PERAC Memorandum # 3/2002

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Joseph E. Connarton, *Executive Director*

T0: All Retirement Boards

From: Joseph E. Connarton, Executive Director

Re: COLA Notice

Date: January 16, 2002

The Public Employee Retirement Administration Commission (PERAC) is providing this notice regarding the COLA Report required by Chapter 17, Section 8 (c) of the Acts of 1997.

Under the statute, PERAC reports to the General Court the computation of the increase in the United States Consumer Price Index in the previous year by the Commissioner of Social Security. Any such increase is based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). This index is used annually to adjust benefits paid to Social Security retirees and beneficiaries.

The Social Security Administration has announced that the latest Cost of Living Adjustment (COLA) is 2.6%.

The COLA which any such system may grant, pursuant to Chapter 32, Section 103 (c) and effective July 1, 2002 will thus be 2.6%. Pursuant to Section 103(i), a retirement board, with proper notice to the legislative body, may elect to increase this percentage up to 3%, at a duly called meeting.

Each Retirement Board making a decision whether or not to grant a COLA must notify the Commission of that decision within 30 days.